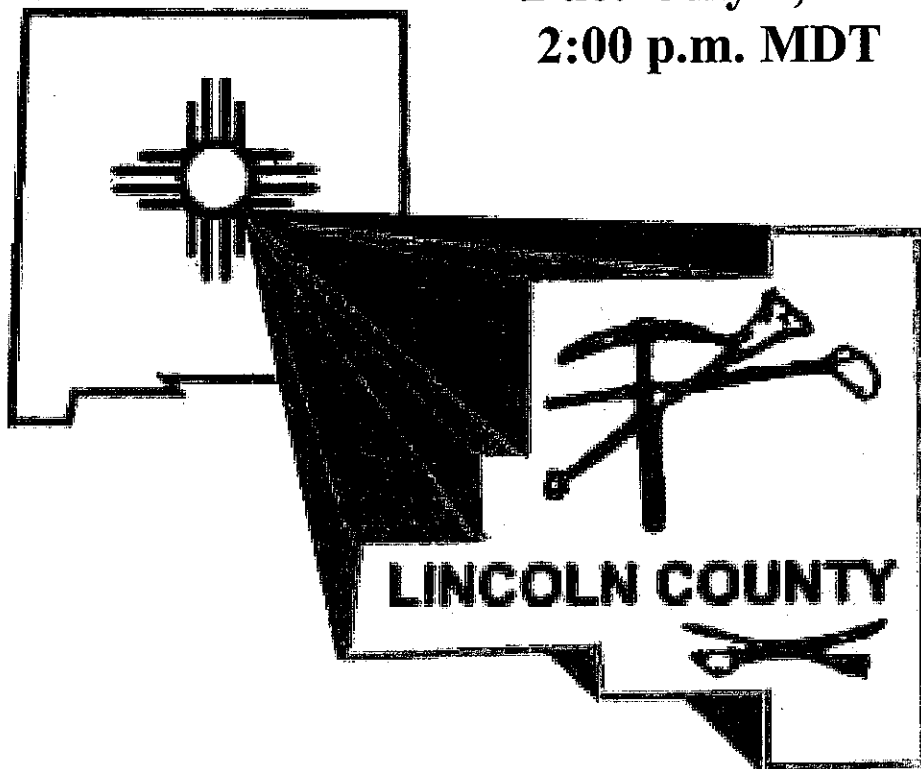


COUNTY OF LINCOLN

Carrizozo, NM 88301

Request for Proposal No. 20-21-001
“Banking Services for the County of Lincoln”

Due: July 1, 2020
2:00 p.m. MDT



**COUNTY OF LINCOLN
Carrizozo, NM 88301**

**Request for Proposals 20-21-001
“Banking Services for the County of Lincoln”**

Due: July 1, 2020, 2:00 p.m.

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**COUNTY OF LINCOLN
Carrizozo, NM 88301**

LEGAL NOTICE

REQUEST FOR PROPOSAL 20-21-001

“BANKING SERVICES FOR THE COUNTY OF LINCOLN”

DUE: July 1, 2020, 2:00 p.m. MDT

The County of Lincoln is accepting proposals for banking services from local financial institutions. This will be a one year contract beginning September 1, 2020 and may be renewed annually for three additional years.

The County's requirements for banking services are contained in an official proposal packet which can be obtained from the County Manager's office, 300 Central Ave, Carrizozo or by calling Toni Foligno at 575-648-2385 ext. 106.

Toni Foligno
Purchasing Agent

Publish in *The Ruidoso News* on Wednesday, June 3, 2020 and in *The Lincoln County News* on Thursday, June 4, 2020

COUNTY OF LINCOLN
Carrizozo, NM 88301

Request for Proposal No. 20-21-001

“Banking Services for Lincoln County”

Due: July 1, 2020, 2:00 p.m. MDT

PROPOSAL REQUIREMENTS

1. **Proposal Requirements**
The County of Lincoln is now accepting professional service proposals for banking services from Lincoln County financial institutions. Based on responses to the items contained in the Bank Services Proposal Sheet, the proposal process will determine the placement of the County’s operational account and any future mandated accounts required by law.
2. **Banking Services Proposal Sheet**
This Form is divided into four sections. **Responses to the items in all four sections must be included in your proposal.**
3. **Section I: Minimum Services Required**
This section identifies the services required by the County and itemizes estimated annual volumes of daily transactions. The County does not expect to be charged for these basic services, nor will the County accept bids that list costs for under/over the estimated deposit volumes.
4. **Sections II and III**
These sections are self-explanatory.
5. **Section IV**
This section lists additional services the County uses. Please state if your institution has these services available and if there is a charge for them.
6. **Bank/County Collateral Security Agreement**
After the award of the contract, the Bank and the County must sign a “Collateral Security Agreement” as specified in Lincoln County Investment Policy signed and on file in the County Treasurer’s Office.

7. National or State Authorized Bank

To respond to this Request for Proposal, the Bank must belong to a National or New Mexico State Banking Association, be organized under the Laws of the United States and/or New Mexico and be authorized by law to do banking business in the State of New Mexico.

8. Term of Contract

The initial contract period will be for one year from September 1, 2020 through August 31, 2021. The contract may be extended annually on the anniversary date for three additional years with the consent of both parties.

9. Proposal Response

Your proposal must address the requirements of Sections 1-4 and provide the name and contact person of at least three other entities for which you have provided similar services.

Proposals should be placed in a securely sealed envelope with the Proposal Number and Proposal Due Date written on the front. Proposals may be hand delivered to the County Manager's Office, 300 Central Ave, Carrizozo or mailed to P.O. Box 711, Carrizozo, NM 88301. Proposals must be received in the County Manager's Office no later than 2:00 p.m. on July 1, 2020. Proposals received after that time and date will be returned unopened. Faxed proposals will not be accepted.

10. Evaluation Criteria

• Ability of banking institution to provide all Section I services, at no cost to the County of Lincoln	35%
• Branch office in Carrizozo or acceptable alternative proposal	25
• Sections II and III (Investment & Electronic access)	15
• Section IV cost to provide services	10
• Section IV, cost savings or revenue producing value, if any	10
• References	5

11. "County of Lincoln, Request for Proposals, Instructions to Offerors"

This document is included in this proposal package and its terms and conditions are a part thereof.

12. Questions

Questions regarding this proposal should be directed to Beverly Calaway, Lincoln County Treasurer, at 575-648-2385 ext. 111.

COUNTY OF LINCOLN

Request for Proposal 20-21-01 "Banking Services for Lincoln County"

BANK SERVICES PROPOSAL SHEET

You must address all of the items in each section for your proposal to be considered.

SECTION I: MINIMUM SERVICES REQUIRED

1. Funds in excess of \$250,000 deposited with Operational Bank must be collateralized at 102%. Overnight Investments must be collateralized at 110%.
2. Lock bags (3) and zip bank bags (45) must be provided for daily deposits. In the event that there is not a branch office in Carrizozo, a courier service will be required for daily deposits. The cost of a courier service may be negotiated with county.
3. Bank statements to end on last day of each month and statement received by the Treasurer's Office no later than the 5th of the following month.
4. Multiple accounts (7) as needed for Departmental Requirements.
5. Wire Transfers/ACH Debits and Credits
6. Daily transactions will involve one or more of the following:
 - A. Deposits containing taxpayer's checks estimated in the following annual volumes:

• Deposits	4,500
• Checks for Tax Payments	65,000
• Currency Deposited	\$270,000
• Average Monthly Balance	\$17,00,000
• Returned Checks	100
 - B. Withdrawal Checks 200
 - C. Checks Issued 5,500
 - D. All County issued checks are void one year from date issued or as indicated on face of check. Detention Center checks are void 90 days from date issued.

- E. Notification of all corrections upon occurrence by email and hard copy by mail.
- F. Internet Access for Daily Balance and online banking for all services.

SECTION II: INVESTMENTS

The County funds will accrue interest at the average monthly Federal Funds Rate. The bank handling the investments will provide a report monthly and interest will be credited monthly.

1. Provide the formula for computing the rate for these investments.

SECTION III: ELECTRONIC ACCESS

The County must access all accounts and accomplish most banking functions (wire transfers, ACH, stop payments, etc.) electronically on a PC-based communications system. **There shall be no extra cost for this service.** Please describe the online services available.

SECTION IV: ADDITIONAL SERVICES THE TREASURER USES FROM TIME TO TIME

List what additional cost these services will involve, if any, and, if possible, what cost savings or revenue producing value the services will have. Acceptance or rejection of any or all of the proposals in this section is entirely at the County's discretion.

1. Stop Payments (Permanent)
2. Check Collective Services
3. ACH Entries and Wire Transaction Entries
4. Deposit Slip Books (400 Annually)
5. Monthly Service Fee
6. List any Cost Savings or Revenue producing values.

RESIDENT VETERANS PREFERENCE CERTIFICATION

_____(NAME OF CONTRACTOR) hereby certifies the following in regard to application of the resident veterans' preference to this procurement:

PLEASE CHECK ONLY ONE BOX FROM THE FOUR (4) CHECK BOXES LISTED BELOW:

☐ I declare that my firm is ineligible to receive New Mexico Resident Veterans Preference.

The following three (3) checkboxes are applicable to ONLY those vendors eligible to receive New Mexico Resident Veterans Preference AND who have included a valid New Mexico Resident Veterans Preference certificate with their sealed response. No preference will be extended unless a valid certificate is included in your sealed response. Submitted certificates shall be validated by CNM with New Mexico Tax & Revenue.

☐ I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is less than \$1M allowing me the 10% preference discount on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

☐ I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than \$1M but less than \$5M allowing me the 8% preference discount on this bid or proposal. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

☐ I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than \$5M allowing me the 7% preference discount on this bid or proposal. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

"I agree to submit a report, or reports, to the State Purchasing Division of the General Services Department declaring under penalty of perjury that during the last calendar year starting January 1 and ending on December 31, the following to be true and accurate:

"In conjunction with this procurement and the requirements of this business' application for a Resident Veteran Business Preference/Resident Veteran Contractor Preference under Sections 13-1-21 or 13-1-22 NMSA 1978, when awarded a contract which was on the basis of having such veterans preference, I agree to report to the State Purchasing Division of the General Services Department the awarded amount involved. I will indicate in the report the award amount as a purchase from a public body or as a public works contract from a public body as the case may be.

"I understand that knowingly giving false or misleading information on this report constitutes a crime."

I declare under penalty of perjury that this statement is true to the best of my knowledge. I understand that giving false or misleading statements about material fact regarding this matter constitutes a crime.

(Signature of Business Representative)*

(Date)

*Must be an authorized signatory for the Business.

The representations made in checking the boxes constitutes a material representation by the business that is subject to protest and may result in denial of an award or unaward of the procurement involved if the statements are proven to be incorrect.

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to the Procurement Code, Sections 13-1-28, *et seq.*, NMSA 1978 and NMSA 1978, § 13-1-191.1 (2006), as amended by Laws of 2007, Chapter 234, any prospective contractor seeking to enter into a contract with any state agency or local public body **for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources** must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body may cancel a solicitation or proposed award for a proposed contract pursuant to Section 13-1-181 NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section 13-1-182 NMSA 1978 of the Procurement Code if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

The state agency or local public body that procures the services or items of tangible personal property shall indicate on the form the name or names of every applicable public official, if any, for which disclosure is required by a prospective contractor.

THIS FORM MUST BE INCLUDED IN THE REQUEST FOR PROPOSALS AND MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a

sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of (a) a prospective contractor, if the prospective contractor is a natural person; or (b) an owner of a prospective contractor.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Prospective contractor" means a person or business that is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person or business qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

Note: A prospective contractor shall make **separate** disclosures of all campaign contributions given by (1) the prospective contractor, or (2) a family member or (3) representative of the prospective contractor, or shall complete the non-disclosure statement, as applicable.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By:			
Relation to Prospective Contractor:			
Name of Applicable Public Official:		Governor _____	
Contribution(s) Date(s)	Contribution Amount(s):	Nature of Contribution(s):	Purpose of Contribution(s):
	\$		
	\$		
	\$		
	\$		
	\$		

(Attach extra pages if necessary)

Signature: _____

Date: _____

Title/Position: _____

--OR--

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature: _____

Date: _____

Title/Position: _____

COUNTY OF LINCOLN, NEW MEXICO

REQUEST FOR PROPOSALS

INSTRUCTIONS TO OFFERORS

1. DEFINITIONS AND TERMS:

- A. "Addendum" means a written or graphic instrument issued prior to the opening of Proposals which clarifies, corrects, or changes the Request for Proposals. Plural: "Addenda".
- B. "Consultant" means the Successful Offeror awarded the Agreement/Contract.
- C. "Determination" means the written documentation of a decision of the Procurement Officer including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains (13-1-52 NMSA 1978).
- D. "Offeror" means any person, corporation, or partnership legally licensed to provide professional services in the State of New Mexico, who chooses to submit a proposal in response to this Request for Proposals.
- E. "Procurement Manager" means the person or designee authorized by the County of Lincoln to manage or administer a procurement requiring the evaluation of proposals. In the County of Lincoln, this is the County Manager.
- F. "Request for Proposals" or "RFP" means all documents, including those attached or incorporated by reference, used for soliciting proposals (13-1-81 NMSA 1978).
- G. "Responsible Offeror or Proposer" means an offeror or proposer who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in the proposal (13-1-83 NMSA 1978).
- H. "Responsive Offer or Proposal" means an offer or proposal which conforms in all material respects to the requirements set forth in the request for proposals. Material respects of a Request for Proposals include, but are not limited to, price, quality, quantity or delivery requirements (13-1-85 NMSA 1978).

- I. The terms must, shall, will, is required, or are required, identify a mandatory item or factor. Failure to comply with a mandatory item factor will result in the rejection of the Offeror's proposal.
- J. The terms can, may, should, preferably, or prefers identify a desirable or discretionary item or factor.

2. REQUEST FOR PROPOSAL DOCUMENTS:

A. Copies of Request for Proposals:

A complete set of the Request for Proposals may be obtained from the County of Lincoln as stated in the RFP Notice.

- (1) A complete set of the Request for Proposals shall be used in preparing proposals; the County of Lincoln assumes no responsibility for errors or misinterpretations resulting from the use of an incomplete set of the Request for Proposals.
- (2) The County of Lincoln, in making copies of Request for Proposals available on the above terms, does so only for the purpose of obtaining proposals on the Project and does not confer a license or grant for any other use.
- (3) A copy of the RFP shall be made available for public inspection and shall be posted at the Office of the County Manager located at 300 Central Avenue, Carrizozo, New Mexico 88301.

B. Interpretations:

- (1) All questions about the meaning or intent of the Request for Proposals shall be submitted to the Purchasing Agent of the County of Lincoln in writing. Replies will be issued by addenda mailed or delivered to all parties recorded by the County of Lincoln having received the Request for Proposals. Questions received less than five (5) days prior to the date for opening of proposals will not be answered. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.
- (2) Offerors should promptly notify the County of Lincoln of any ambiguity, inconsistency or error which they may discover upon examination of the Request for Proposals.

C. Addenda:

- (1) Addenda will be mailed, by facsimile or hand- delivered to all who are known by the County of Lincoln to have received a complete set of Request for Proposals.
- (2) Copies of addenda will be made available for inspection where ever Request for Proposals are on file for that purpose.
- (3) No addenda will be issued later than five (5) days prior to the date for receipt of Proposals, except an Addendum withdrawing the Request for Proposals or one which includes postponement of the date for receipt of Proposals.

3. PROPOSAL SUBMITTAL PROCEDURES:

A. Number, Form and Style of Proposals

- (1) Offerors shall provide one (1) original and five (5) copies of their proposal to the location specified on the cover page on or before the closing date and time for receipt of proposals.
- (2) All proposals must be typewritten on standard 8 1/2 "x 11" paper and bound on the left hand margin.
- (3) Proposals shall contain a maximum of fifteen (15) pages, including title, index, etc, not including front and back covers.
- (4) Offeror may request in writing nondisclosure of confidential data. Such data should accompany the proposal and should be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. A request that states that the entire proposal be kept confidential will not be acceptable. Only matters which clearly are of a confidential nature will be considered.
- (5) Any cost incurred by the Offeror in preparation, transmittal, presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror.
- (6) A pre-proposal conference [] will be; or [x] will not be held at the County Commission Chambers.

B. Sub-consultants:

- (1) The Offeror shall list and state the qualifications for each sub-consultant the Offeror proposes to use for all sub-contracted work.
- (2) The Offeror is specifically advised that any person or other party, to whom it is proposed to award a sub-contractor under this proposal, must be acceptable to the County of Lincoln after verification by the County of Lincoln of the current eligibility status, including, but not limited to, suspension or debarment by the County of Lincoln.

C. Prequalification Process

- (1) A business may be pre-qualified by the County Manager as an Offeror for particular types of service. Mailing lists of potential Offerors shall include, but shall not be limited to, such pre-qualified businesses (13-1-134 NMSA 1978).

D. Debarred or Suspended Contractors

- (1) A business contractor, subcontractor or supplier) that has either been debarred or suspended pursuant to the requirement of 13-1-177 through 13-1-180, and 13-4-11 through 13-4-17 NMSA 1978, as amended, shall not be permitted to do business with the County of Lincoln and shall not be considered for award of the Contract during the period for which it is debarred or suspended with the County of Lincoln.

E. Submittal of Proposals

- (1) Proposals shall be submitted at the time and place indicated in the Notice of Request for Proposals and shall be included in an opaque sealed envelope.
- (2) The envelope shall be addressed to the Procurement Officer of the County of Lincoln. The following information shall be provided on the front lower left corner of the envelope: Project Title, Request for Proposals number, date of opening, and time of opening. If the Proposal is sent by mail, the sealed envelope shall have the notation "**SEALED PROPOSAL ENCLOSED**" on the face thereof.
- (3) Proposals received after the date and time for receipt of Proposals will be returned unopened.
- (4) The Offeror shall assume full responsibility for timely delivery of proposals at the County Manager's Office, including those proposals submitted by mail. Hand delivered proposals shall be submitted to the County Manager or his designee and will be time stamped at the time received, which must be prior to the time specified.

VIA MAIL

County Manager's Office
County of Lincoln
P.O. Box 711
Carrizozo, NM 88301-0711

HAND- DELIVERED

County Manager's Office
County of Lincoln
300 Central Avenue
Carrizozo, NM 88301

- (5) After the date established for receipt of proposals, a register of proposals will be prepared which includes the name of each Offeror, a description sufficient to identify the service and such other information as may be specified by the County Manager.
- (6) Oral, telephonic or telegraphic proposals are invalid and will not receive consideration.

F. Correction or Withdrawal of Proposals

- (1) A Proposal containing a mistake discovered before proposal opening may be modified or withdrawn by an Offeror prior to the time set for proposal opening by delivering written or telegraphic notice to the location designated in the Request for Proposals as the place where Proposals are to be received.
- (2) Withdrawn proposals may be resubmitted up to the time and date designated for the receipt of Proposals, provided they are then fully in conformance with the Request for Proposals.

G. Notice of Contract Requirements Binding on Offeror

- (1) In submitting this proposal, the Offeror represents that the Offeror has familiarized himself with the nature and extent of the Request for Proposals dealing with federal, state and local requirements which are a part of this Request for Proposals.
- (2) Laws and Regulations The Offeror's attention is directed to all applicable federal and state laws, local ordinances and regulations

and the rules and regulations of all authorities having jurisdiction over the services of the project.

H. Rejection or Cancellation of Proposals

- (1) This Request for Proposals may be cancelled, or any or all proposals may be rejected in whole or in part, when it is in the best interests of the County of Lincoln. A determination containing the reasons therefore shall be made part of the RFP file. (13-1-131 NMSA 1978).

4. **CONSIDERATION OF PROPOSALS**

A. Receipt, Opening and Recording

- (1) Proposals received on time will be opened publicly or in the presence of two witnesses, and the name of the Offeror and address will be read aloud.
- (2) The names of all businesses submitting proposals and the names of all businesses, if any, selected for interview shall be public information. After an award has been made, final ranking and evaluation scores for all proposals shall become public information (13-1-120 NMSA 1978). The contents of any proposal shall not be disclosed so as to be available to competing Offerors during the negotiation process (13-1-116 NMSA 1978).

B. Proposal Evaluation

- (1) Proposals shall be evaluated on the basis of demonstrated competence and qualification for the type of service required, and shall be based on the evaluation factors set forth in this RFP. For the purpose of conducting discussions, proposals may initially be classified as:
 - (a) acceptable
 - (b) potentially acceptable, that is reasonably assured of being made acceptable
 - (c) unacceptable (Offerors whose proposals are unacceptable)
- (2) The County of Lincoln shall have the right to waive technical irregularities in the form of the Proposal of the Offeror which do not alter the quality of the services (13-1-132 NMSA 1978).
- (3) If an Offeror who otherwise would have been awarded a contract is found not to be a responsible Offeror, a determination that the Offeror is not a responsible Offeror, setting forth the basis of the finding, shall be prepared by the Purchasing Agent. The unreasonable failure of the Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a responsible Offeror (13-1-133 NMSA 1978). Businesses which have not been selected shall be so notified in writing within twenty-one (21) days after an award is made (13-1-120 NMSA 1978).
- (4). Selection Process

- (a) The evaluation of proposals will be performed by an evaluation committee composed of representatives selected by the County of Lincoln. The committee shall evaluate statements of qualifications and performance data submitted by at least three businesses in regard to the particular request and may conduct interview with and may require public presentation by all businesses applying for selection regarding their qualifications, their approach and their ability to furnish the required services.
- (b) If fewer than three businesses have submitted a statement of qualifications for a particular RFP, the committee may:
 - (i) rank in order of qualifications and submit to the County of Lincoln for award those businesses which have submitted a statement of qualifications
 - (ii) recommend termination of the selection process and request of new notices of the proposed procurement to be sent out (13-1-104 NMSA 1978).

C. Negotiations (13-1-122 NMSA 1978)

- (1) The County of Lincoln's designee shall negotiate a contract with the highest qualified business for the services contemplated under this RFP at compensation determined in writing to be fair and reasonable. In making this decision, the designee shall take into account the estimated value of the services to be rendered and the scope, complexity and professional nature of the services.
- (2) Should the designee be unable to negotiate a satisfactory contract with the business considered to be the most qualified at a price determined to be fair and reasonable, negotiations with that business shall be formally terminated. The designee shall then undertake negotiations with the second most qualified business. Failing accord with the second most qualified business, the designee shall formally terminate negotiations with that business.
- (3) The designee shall then undertake negotiations with the third most qualified business.
- (4) Should the designee be unable to negotiate a contract with any of the businesses selected by the committee, additional businesses shall be ranked in order of their qualifications, and the designee shall continue negotiations in accordance with this section until a contract is signed with a qualified business or the procurement process is terminated and a new Request for Proposals is initiated.
- (5) The County of Lincoln will publicly announce the business selected for award.

D. Notice of Award

- (1) After award by the County of Lincoln, a written notice of award shall be issued by the County of Lincoln with reasonable promptness (13-1-100 and 13-1-109 NMSA 1978).

E. Contract Term

E. Contract Term

- (1) The contract period will begin September 1, 2020 through August 31, 2021 with the option to extend annually for 3 additional years, based on the same terms and conditions.

5. POST-PROPOSAL INFORMATION

A. Protests

- (1) Any Offeror who is aggrieved in connection with a solicitation or award may protest to the County Manager of Lincoln County in accordance with the requirements of the County of Lincoln's Procurement Regulations and the State Procurement Code. The protest should be made in writing within 24 hours after the facts or occurrences giving rise thereto, but in no case later than 15 calendar days after the facts or occurrences giving rise thereto (13-1-172 NMSA 1978).
- (2) In the event of a timely protest under this section, the County Manager and the County of Lincoln shall not proceed further with the procurement unless the County Manager makes a determination that the award is necessary to protect substantial interests of the County of Lincoln (13-1-173 NMSA 1978).
- (3) The County Manager or his designee shall have the authority to take any action reasonably necessary to resolve a protest of an aggrieved Offeror concerning procurement. This authority shall be exercised in accordance with adopted regulations, but shall not include the authority to award money damages or attorney's fees (13-1-174 NMSA 1978).
- (4) The County Manager or his designee shall promptly issue a determination relating to this protest. The determination shall:
 - a. state the reasons for the action taken and
 - b. inform the Protestant of the right to judicial review of the determination (13-1-183 NMSA 1978).
- (5) A copy of the determination issued under 13-1-175 NMSA 1978 shall immediately be mailed to the protestant and other Offerors involved in the procurement (13-1-176 NMSA 1978).

B. Execution and Approval of Agreement

- (1) The Agreement shall be signed by the Successful Offeror and returned within an agreed upon time frame after the date of the Notice of Award. No Agreement shall be effective until it has been fully executed by all of the parties thereto.

C. Notice of Proceed

- (1) The county of Lincoln will issue a written Notice to Proceed to the Offeror.

and experience are adequate to make satisfactory delivery of the services described in the Request for Proposals (13-1-82 NMSA 1978).

6. OTHER INSTRUCTIONS TO OFFERORS

- A. Equal Opportunity Employment
Lincoln County does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in the employment or the provision of services. Contractors shall be in compliance with the American with Disabilities Act requirements.
- B. OSHA Requirements in Employment
Lincoln County shall contract with companies or firms whose operators and equipment meet OSHA (Occupational Safety and Health Administration) standards in their field of expertise and shall also comply with the Lincoln County Loss control Manual as if an employee of Lincoln County.

7. GOVERNING LAW

- A. The Agreement shall be governed exclusively by the laws of the State of New Mexico as the same from time to time exist.

8. INDEPENDENT CONTRACTORS

- A. The Offeror and his agents and employees are independent Contractors and are not employees of the County of Lincoln. The Offeror and his agents and employees shall not accrue leave, retirement, insurance, bonding, use of County of Lincoln vehicles, or any other benefits afforded to employees of the county of Lincoln as a result of the Agreement.

9. BRIBES, GRATUITIES AND KICKBACKS

- A. Pursuant to 13-1-191 NMSA 1978, reference is hereby made to the criminal laws of New Mexico (including 30-14-1, 30-24-2 and 30-41-1 through 30-41-3 NMSA 1978) which prohibits bribes, kickbacks and gratuities, violation of which constitutes a felony. Further, the Procurement Code (13-1-28 through 13-1-199 NMSA 1978) imposes civil and criminal penalties for its violation.

10. STANDARD FORM OF AGREEMENT BETWEEN CONTRACTING AGENCY AND OFFEROR

- A. The form of agreement required by the funding agency or issued by the County of Lincoln will be used for this project. Copies are available and may be reviewed upon request.

11. FEES

- A. A lump sum fixed fee for Basic Service will be negotiated with the Offeror selected.

12. FUNDING

- A. This solicitation is subject to the availability of funds to accomplish the work.

13. CONTACT WITH COUNTY OF LINCOLN OFFICIALS OR STAFF MEMBERS

- A. Prior to, and after submittal of proposal, prospective Offerors shall not make contact with any official or staff member regarding this RFP, other than contact to obtain a copy of this RFP.

14. CONTRACTOR'S AND SUB-CONTRACTOR'S INSURANCE

- A. The contractor may carry such other insurance as he deems necessary to protect his own interests. He shall, at his sole cost and expense, procure and carry throughout the life of the agreement the insurance hereinafter specified. Such insurance shall cover both the Contractor and his Subcontractors, or separate policies shall be provided for each Subcontractor and shall be carried with an insurance company licensed to transact business in the State of New Mexico. The insurance shall be for the protection of the Contractor and Sub-contractors from claims under worker's compensation law, disability benefit laws or other employee benefit laws; from claims for damages to property, including loss of use thereof, any or all of which may arise out of or result from the Contractor's operations under the Contract Documents whether such operations be at the site of the work or elsewhere and whether they be carried on by the Contractor or by any sub-contractor or anyone directly employed by any of them or for whose acts any of them may be legally liable. Such insurance shall be written for not less than the limits of liability set out below. Work may not be started on the project until the Certificate of Insurance on the form provided has been filed and approved with the owner or engineer.

- A. Comprehensive General Liability Insurance
The Contractor shall procure and maintain during the life of this Contract, and shall require Sub-contractors, if any, to procure and maintain during the life of his sub-contract, comprehensive general liability insurance in amounts of not less than Three Hundred Thousand Dollars (\$300,000.00) for injuries, including death, to any one person and subject to the same limit each person, in amounts not less than Three Hundred Thousand Dollars (\$300,000.00) in any one occurrence and in amounts not less than Three Hundred Thousand Dollars (\$300,000.00) for property damages in any one

accident. Such policies of insurance must include coverage under all sections of the schedule of hazards of the said comprehensive general liability policy form and must include collapse (c), explosion(x) and underground (u) liability coverage.

The above requirements shall include protection from:

- (1) Damage to, or destruction of public and private property located below the surface of the ground, including telephone conduit, power conduit, traffic signal cables, fire alarm circuits, gas mains, gas serve connections, sanitary sewers, house sewers or building sewer connections, water mains, water service connections, steam lines, petroleum products pipelines, storm sewers and inlet lines, and including all appurtenances thereto, injury or death to a trenching and beautifying with or without the use of mechanical equipment.
- (2) The collapse of, or structural damage to any building, house or structure, utility poles, curb and gutter and sidewalk on public or private property, destruction of or damage to other public and private property including injury or death to a person or persons caused by the Contractor's operations under the Contract. Removal of buildings, structures (including their supports), trees, and utility poles, excavations below the surface of the grounds, include blasting, trenching and beautifying with or without the use of mechanical equipment. "Other public and private property" as used above, shall include lawns, plants, flowers, trees, fences, yard walls, etc. The liability insurance shall include the standard assault and battery endorsement.

B. Owner's Protective Public Liability and Protective Property Damage Insurance

The Contractor shall procure and maintain during the life of this Contract, at his own expense, owner's protective public liability and protective property damage insurance in favor of the Owner in the amount not less than (1) the sum of One Hundred Thousand Dollars (\$100,000) for damage to or destruction of property arising out of a single occurrence (2) the sum of Five Hundred Thousand Dollars (\$500,000) to any person for any number of claims arising out of a single occurrence for all damages other than property damage, or (3) the sum of One Million Fifty Dollars (\$1,000,050) for all claims arising out of a single occurrence. This policy shall also include the standard assault and battery endorsement.

C. Worker's Compensation Insurance

The Contractor shall procure and shall maintain during the life of this Contract, Worker's Compensation Insurance in statutory or standard form in an amount covering all of his employees to be

- C. **Worker's Compensation Insurance**
The Contractor shall procure and shall maintain during the life of this Contract, Worker's Compensation Insurance in statutory or standard form in an amount covering all of his employees to be engaged in the work under this Contract, as required by the State of New Mexico or the regulatory requirements of the Contractor's licensing bureau. Such insurance policies must include coverage under Section 52-1-10. NMSA 1978 for safety devices.
- D. **Automobile Public Liability and Property Damage**
The Contractor shall maintain automobile public liability insurance to protect him and the Owner from any and all claims arising from the use of the following in the execution of work included in this Contract.
- (1) Contractor's own automobile and trucks
 - (2) Hired automobiles and trucks
 - (3) Automobiles and trucks not owned by Contractor
 - (4) BI/PD no less than Three Hundred Thousand Dollars (\$300,000.00)
- E. **Approval of Insurance**
Neither approval by the Owner of any insurance supplied by a Contractor or a Sub-contractor, nor a failure to disapprove that insurance shall relieve the Contractor or Sub-contractor of full responsibility to maintain in full force and effect the above described insurance or for liability, damages and accidents as set forth herein.
- F. **Proof of Insurance**
Prior to the commencement of any work hereunder, Contractor shall furnish to the Owner proof of the insurances required in this Section. All such certificates of Insurance shall provide that the Insurance company(ies) will give Owner ten (10) days prior written notice before any material change in or cancellation of any such policy.

Resolution 2007 - 33

INVESTMENT POLICY
of the
COUNTY OF LINCOLN

INTRODUCTION: This Investment Policy ("Policy") becomes effective July 1, 2008 and applies to all financial assets of Lincoln County including, but not limited to, the assets of the County's:

General Funds
Special Revenue Funds
Capital Projects Funds
Enterprise Funds
Debt Service Funds, and
Agency Funds

This resolution establishes a policy for the prudent investment of County funds, and the maximization for the efficiency of the County's cash management system.

RECITALS:

SCOPE OF POLICY: The goal of this policy is to protect public funds and to invest County funds in a manner that insures the safety of the investment, that provides for adequate liquidity and proper maturities and that maximizes investment income after providing for safety and liquidity. It also serves to establish a clear understanding between the County and any bank, financial institution, investment broker or financial advisor utilized by the County as to the guidelines, limitations and directions that the County has determined appropriate for accounts under their purview.

It is the policy of Lincoln County to be fully invested (100% of available cash, less float and compensating balances) at all times. The County will use projected monthly cash receipts and outlays as a tool for maximizing available cash for investment purposes.

OBJECTIVE: The primary objectives, in priority order, of the County of Lincoln's investment activities shall be:

SAFETY: Safety of principal is the foremost objective of the investment program. Investments of the County of Lincoln shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

LIQUIDITY: The County of Lincoln's investment portfolio will remain sufficiently liquid to enable the County of Lincoln to meet all operating requirements which might be reasonably anticipated. Future use of funds shall be a criterion in determining maturities for any investment.

RETURN ON INVESTMENTS: The County of Lincoln's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the County's investment risk constraints and the cash flow characteristics of the portfolio.

NOW THEREFORE BE IT RESOLVED THAT:

DELEGATION OF AUTHORITY: The Board of County Commissioners acting in its capacity as a County Board of Finance pursuant to 6-10-8, NMSA 1978 shall have authority to set policy for management of all County investments and insure that such Policy is carried out. The Board of County Commissioners hereby adopts this Policy.

The County Treasurer has ultimate authority over the investment of public funds as outlined in the policy and is hereby designated as the County's Investment Officer. The Investment Officer shall be responsible for all investment transactions and shall implement and maintain the system of controls outlined in the Policy in order to regulate investment activities. The Treasurer shall designate in writing an employee of the Treasurer's office to act on the Treasurer's behalf in the absence of the Treasurer.

PRUDENT PERSON RULE: The prudence which is to be used by the Investment Officer investing County funds shall be used in accordance with the provisions of Section 6-8-10, NMSA 1978 which states "Investments shall be made with judgement and care; under circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived."

ETHICS AND CONFLICT OF INTEREST: Board of Finance members, the County Manager and any and all investment officials shall refrain from personal business activity that could conflict with the proper execution of the County's investment program or which could affect or impair their ability to make impartial investment decisions on behalf of the County. (Sections 6-10-40 and 6-10-53 NMSA 1978 and the New Mexico Constitution Article VIII, Section 4)

CASH MANAGEMENT: The Office of Commissioners and the Treasurer's Office shall jointly prepare and maintain an ongoing cash management program. This program will involve the preparation of a regular report that includes projections for cash receipts (revenues) and cash disbursements (expenditures). The Office of the Commission shall notify the County Treasurer on a regular basis of county expenditures and of any large expenditures anticipated so that cash liquidity can be planned according to the cash management report and County expenditures. The County Treasurer shall take into consideration these projected cash needs of the County when setting investment maturity dates.

MINIMUM INTEREST RATE: The interest rate to be paid on time deposits shall not be less than the rate fixed by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit (Section 6-10-36E, NMSA, 1978 Comp). Additionally, the County will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

INVESTMENTS: All sinking funds or money remaining unexpended from the proceeds of any issue of bonds or negotiable securities which by law are entrusted to the care and custody of the Treasurer, and all money not immediately necessary for public use, may be invested in securities or interest bearing deposits with banks, savings banks and credit unions within the geographical boundaries of the County. All funds available for investment with local banks, savings banks and credit unions must be equitably distributed according to the net worth of each institution in accordance with State Statute 6-10-36. If any bank, savings bank or credit union within the geographical boundaries of the County declines to accept any part of their pro-rata share of County Funds, a written notice of such shall be obtained by the Investment Officer. The Investment Officer may allow any bank declining to receive distribution of future funds at his/her discretion.

The funds that are declined shall be considered excess and may be invested in those securities authorized by the laws of the State of New Mexico including the following approved investments:

1. Certificates of Deposit, to be collateralized as set forth hereinafter. ("Approved Bank Collateral")
2. United States Treasury Bills, United States Treasury Bonds, and United States Treasury Notes.
3. Bonds or negotiable securities of the State of New Mexico or any County, Municipality or School Districts of the State of New Mexico.
4. Short term investments with the Local Government Investment Pool as per Section 6-10-1.1, NMSA 1978. Also see Sections 6-10-10 and 6-10-44, NMSA 1978.
5. Securities that are issued by the United States government or by its agencies or by instrumentalities and that are either direct obligations of the United States, the Federal Home Loan Mortgage Association, Federal Home Loan Bank, Federal National Mortgage Association, the Federal Farm Credit Bank or the Student Loan Marketing Association or are backed by the full faith and credit of the United States government. Derivative investments and amortizing mortgage obligations are not approved for any accounts
6. All investments set forth in 1-5 above must have readily ascertainable market value and be easily marketable.

7. In the event the State Statutes are legally changed to allow other securities as appropriate for investment by the County then this policy shall be amended to include those securities as appropriate.

BE IT FURTHER RESOLVED that the interest rate to be paid on time deposits shall not be less than the rate fixed by the State Board of Finance under Section 6-19-30, NMSA, 1978 Comp.

The County will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

SCHEDULING OF INVESTMENT MATURITIES: Investment maturities for cash balances shall be scheduled to coincide with projected cash flow needs, taking into account expenditures (payroll, debt-retirement payments, Capital Improvements Program disbursement) as well as considering anticipated revenue (property taxes, payment in lieu of taxes, etc.) utilizing the Cash Management program developed by the Investment Officer.

The County will commit investment to maturities as follows:

at least 50% under one year; and

the County will create a program that will match investment maturities with cash flow needs. Such maturities may be either by fund or in aggregate, depending on market conditions, professional advice, proposed financings or other matters that could have a positive or negative impact on rates of return.

INVESTMENT SELECTION CRITERIA AND ASSET ALLOCATION:

1. Cash and cash equivalents may include Treasury bills, certificates of deposit due within 12 months, and money market funds that invest in U.S. Government and its agencies' securities. The purpose of these funds is to provide income, liquidity and preservation of the funds' principal value.

2. The maximum maturity of the securities purchased for an account cannot be greater than five (5) years. Securities with a longer maturity may be purchased provided that the average weighted maturity of the entire portfolio is less than three years.

3. The maturity schedule of the portfolio must take into account and reflect future cash needs and the goal of maximizing investment returns.

BANK COLLATERAL: Lincoln County will require collateral of one hundred and two percent (102%) on deposits or investments on amounts greater than the FDIC coverage. Approved collateral is set forth herein, "Approved Bank Collateral."

If a bank is unable to meet the collateral levels required, the County Treasurer shall cease to make deposits and shall make withdrawals of deposits in the order in which they would otherwise mature down to an amount which can be collateralized at the appropriate level. The

withdrawals of County deposits shall not be subject to the assessment of a penalty for early withdrawal, except to the extent required to be imposed by Federal law and in the event only the minimum penalty required to be imposed shall be imposed by the bank.

BE IT FURTHER RESOLVED that all banks and savings banks in which the County of Lincoln funds in excess of \$100,000.00 are deposited will be required to enter into a Collateral Security Agreement which shall be mutually agreed upon by the Treasurer and the financial institution. (NMSA 1994, 6-10-18a)

APPROVED BANK COLLATERAL: Public money may be invested with banks, savings banks and credit unions, having their main or manned branch offices within the geographical boundaries of the County, which have qualified as public depositories by reason of insurance of the account by an agency of the United States (FDIC), or by depositing collateral security of United States Treasury or agency securities as provided herein, letters of credit from the Federal Home Loan Bank or by giving bonds as provided by law. (See Section 6-10-36C, NMSA 1978) However, said collateral must have a daily closing price ("mark-to-market") that is equal to or greater than the FDIC uninsured amount of the Certificate of Deposit subject to the collateral percentage requirements set forth herein ("Bank Classification"). Additionally, if a Surety is used pursuant to 6-10-16.1 the maturity of the Certificate of Deposit may not exceed the time in which the Surety may expire for any reason.

SAFEKEEPING OF SECURITIES: All investment securities other than local financial institution Certificates of Deposit purchased by the County shall be held in third-party safekeeping by an institution acceptable to the County. The safekeeping institution shall issue a safekeeping receipt or other evidence (i.e. book entry notice) to the County listing the specific instrument, rate, amount, maturity date, instrument number, term and other pertinent information. Any financial institution holding securities for the benefit of the County shall be required to provide insurance sufficient to cover all said securities in the event that the financial institution fails financially and is unable to meet obligations to securities clients. Insurance such as Securities Investor Protection Corporation (SIPC) and private insurance shall be acceptable. The Investment Officer shall prepare the Safekeeping Report monthly.

INTERNAL CONTROLS: The County Treasurer, as the Investment Officer, shall document and maintain a system of internal controls for the making of investments of County funds. The internal controls shall be reviewed by independent auditors on an annual basis. The County Treasurer shall review the systems of controls periodically to insure such controls are effective and that the County is complying with such controls.

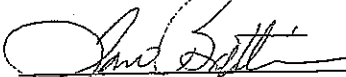
INTERNAL REPORTS: The Safekeeping Report, Pro-Rata Distribution Reports and Investment Report shall be compiled by the County's Investment Officer monthly and published along with the Treasurer's Monthly Financial Statement. The Treasurer shall have daily access to reports from safekeeping institutions showing daily mark-to-market valuations of investments other than those local banks and savings banks certificates of deposit.

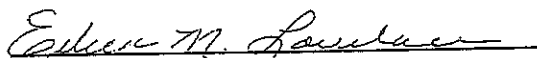
COMMUNICATIONS AND REPORTS: Any investment broker or financial advisor actively doing business with the County must submit to the Investment Officer on both a quarterly, and


annual basis, investment reports showing total amount invested, cost basis and market value of each security, amount invested in each type of security, maturity schedule of the portfolio, yield and cash flow analysis of the portfolio, and the time weighted return for each reporting period. Any transaction that occurred during the reporting period should be shown as well as any realized gains or losses. All exhibits and written material that will be used for presentation to the Treasurer and Commission shall be submitted to and received by the Treasurer at least ten (10) business days prior to any meetings with the Commission, unless otherwise approved in writing unless waived in writing by the Investment Officer.

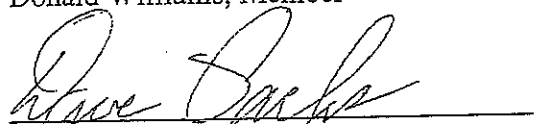
BE IT FURTHER RESOLVED that this Policy may be revised as appropriate. It shall be the obligation of the Investment Officer to bring such amendments to the Board of Commissioners and obtain the approval of their majority before such changes and amendments take affect.

Approved, passed and signed this 15th day of April, 2008 by the Board of Commissioners of Lincoln, County, New Mexico.


Tom Battin, Chairman

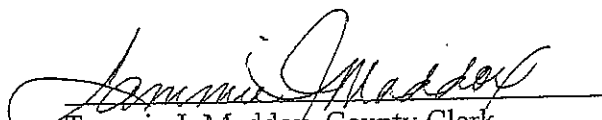

Eileen M. Lovelace, Vice Chairman


Donald Williams, Member


Dave Parks, Member

Jackie Powell, Member

ATTEST:


Tammie J. Maddox, County Clerk



Attachment #1 to the INVESTMENT POLICY of
The
COUNTY OF LINCOLN
COLLATERAL SECURITY AGREEMENT

This COLLATERAL SECURITY AGREEMENT is made and entered into on the date herein

written by and between the County of Lincoln, hereinafter called "Depositor", and _____, a National or New Mexico State banking association, organized under the laws of the United States and/or New Mexico and authorized by law to do banking business in the State of New Mexico, hereinafter called "Bank".

Background

Depositor, through action of its governing Board, has designated Bank as a depository for funds of the Depositor. During the term of this Collateral Security Agreement, the Depositor will, through appropriate action of its governing Board, designate the officer, or officers, who singularly or jointly will be authorized to represent and act on behalf of the Depositor in any and all matters of every kind arising under the Collateral Security Agreement. Bank's Deposit Agreement is incorporated herein for all purposes; however to the extent that any provision therein conflicts with a provision herein, this Collateral Security Agreement will control. All funds on deposit with Bank to the credit of the Depositor are required to be secured by Collateral as provided for in the investment policy of Depositor in effect at the time the initial deposit is made.

To perfect the security interest of the Depositor in the Collateral pledged by the Bank, an

independent third party financial institution acceptable to the County, Namely: _____

_____, will hold the Collateral in a custody account for the benefit of the Depositor. The said third party financial institution is hereinafter referred to as "Trustees".

NOW THEREFORE, in consideration of the foregoing, and for other consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

I.

Bank hereby pledges to Depositor, and grants to Depositor a security interest in, those assets owned by Bank and held by Trustees for the benefit of Depositor, in accordance with the terms of this Collateral Security Agreement (hereinafter, the "Collateral"), to secure the deposits held by Bank for Depositor as required by the investment policy of Depositor and/or the Treasurer of the State of New Mexico.

Collateral Security Agreement (continued)

II.

Bank has heretofore or will immediately hereafter deliver to Trustees Collateral of the kind and character permitted by the investment policy of Depositor and/or the Treasurer of the State of New Mexico of sufficient amount and market value to provide adequate Collateral for the funds of Depositor deposited with Bank. Said Collateral or substitute Collateral, as hereinafter provided for, shall be kept and retained by Trustees in trust so long as the depository relationship between Depositor and Bank shall exist hereunder, and thereafter so long as deposits made by Depositor with Bank hereunder, or any portion thereof, shall have been properly paid out by Bank to Depositor or on its order.

III.

Bank shall cause Trustees to accept said Collateral and hold the same in trust for the purpose herein stated.

IV.

Should Bank fail at any time to pay and satisfy when due, any check, draft, warrant, or voucher lawfully drawn against any deposit, or in case Bank becomes insolvent, or fails to maintain adequate Collateral as required by this Agreement, or in any manner breaches its contract with Depositor, Depositor shall give written notice of such failure, insolvency, or breach to Bank, and Bank shall have three days to cure such failure, insolvency, or breach. In the event Bank shall fail to cure such failure, insolvency, or breach within three days, it shall be the duty of Trustees, upon demand of Depositor (supported by proper evidence of any of the above-listed circumstances), to surrender the above described Collateral to the Depositor. Depositor may sell all or any part of such Collateral and out of the proceeds thereof pay Depositor all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale, accounting to Bank for the remainder, if any, of said proceeds or Collateral remaining unsold.

V.

Any sale of such Collateral, or any part thereof, made by Depositor hereunder may be either at public or private sale; provided, however, Depositor shall give Bank three days notice of the time and place where such sale shall take place, and such sale shall be to the highest bidder therefore for cash. Depositor and Bank shall have the right to bid as such sale.

VI.

If Bank shall desire to sell or otherwise dispose of any Collateral deposited with Trustee, it may substitute for the Collateral other Collateral of the same market value and of the character authorized herein. Such right of substitution shall remain in full force and may be exercised by Bank as often as it is desired; provided, however, that the aggregate market value of all Collateral pledged hereunder, shall be at least equal to the amount of Collateral required hereunder. If at

Collateral Security Agreement (continued)

any time, the aggregate market value of such Collateral so deposited with Trustees is less than the total sum of the Depositor's funds on deposit with said Bank, Bank shall immediately deposit with Trustees such additional Collateral as may be necessary to cause the market value of such Collateral to equal the total amount of required Collateral. Depositor shall have the right to reject substituted Collateral by the Bank. Bank shall be entitled to income on Collateral held by Trustees, and Trustees may dispose of such income as directed by Bank without approval of Depositor, provided a breach of contract does not exist.

VII.

Bank shall cause Trustees to promptly forward within three business days to Depositor copies of safekeeping or trust receipts covering all such Collateral held for Bank, including substitute Collateral as provided for herein.

VIII.

If at any time the Collateral in the hands of Trustees shall have a market value in excess of the sum of balances due Depositor by Bank, the Depositor shall authorize the withdrawal of a specified amount of Collateral if withdrawal is requested by the Bank and Trustees may deliver this amount of Collateral (and no more) to Bank, taking its receipt therefore, and Trustees shall have no further liability for Collateral so redelivered to Bank.

IX.

Either Depositor or Bank shall have the right to terminate this Agreement by advance written notice to the other of its election to do so, and this Agreement shall be void from and after the expiration of sixty days after the receipt of such notice, provided all provisions of this Agreement have been fulfilled.

X.

When the relationship of Depositor and Bank shall have ceased to exist between Depositor and Bank, and when the Bank shall have properly paid out all deposits of Depositor, it shall be the duty of Depositor to give Trustees written notice to that effect; whereupon Trustees shall, with the approval of Depositor, redeliver to Bank all Collateral then in their possession belonging to Bank, taking its receipt therefore.

Executed this ____ day of _____, 20__ by the undersigned duly authorized officers of parties hereto.

FOR DEPOSITORY BANK:

FOR DEPOSITOR:

Name

Name

Title

Title

This Collateral Security Agreement was approved by the Board of Directors of the Bank on _____ 20__.

FOR TRUSTEE:

Name

Title